

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 145**

Introduced by Suttle, 10; Hilgert, 7; Preister, 5; Schimek, 27

Read first time January 7, 1999

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-3501.01, Reissue Revised Statutes of Nebraska, and  
3 sections 77-3505.02, 77-3507, 77-3508, and 77-3509,  
4 Revised Statutes Supplement, 1998; to redefine terms; to  
5 change homestead exemption provisions; and to repeal the  
6 original sections.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-3501.01, Reissue Revised Statutes  
2 of Nebraska, is amended to read:

3           77-3501.01. (1) For purposes of section 77-3507, exempt  
4 amount shall mean the lesser of (a) the taxable value of the  
5 homestead or (b) for any year prior to 2000, eighty percent of the  
6 average assessed value of single-family residential property in the  
7 claimant's county of residence as determined in section 77-3506.02  
8 or forty thousand dollars, whichever is greater, and for 2000 and  
9 each year thereafter, eighty-eight percent of the average assessed  
10 value of single-family residential property in the claimant's  
11 county of residence as determined in section 77-3506.02 or  
12 forty-four thousand dollars, whichever is greater.

13           (2) For purposes of sections 77-3508 and 77-3509, exempt  
14 amount shall mean the lesser of (a) the taxable value of the  
15 homestead or (b) for any year prior to 2000, one hundred percent of  
16 the average assessed value of single-family residential property in  
17 the claimant's county of residence as determined in section  
18 77-3506.02 or fifty thousand dollars, whichever is greater, and for  
19 2000 and each year thereafter, one hundred ten percent of the  
20 average assessed value of single-family residential property in the  
21 claimant's county of residence as determined in section 77-3506.02  
22 or fifty-five thousand dollars, whichever is greater.

23           Sec. 2. Section 77-3505.02, Revised Statutes Supplement,  
24 1998, is amended to read:

25           77-3505.02. Maximum value shall mean:

26           (1) For applicants eligible under section 77-3507:

27           (a) For any year prior to 2000, one hundred fifty percent  
28 of the average assessed value of single-family residential property

1 in the claimant's county of residence as determined in section  
2 77-3506.02 or ninety-five thousand dollars, whichever is greater;  
3 and

4 (b) For 2000 and each year thereafter, one hundred sixty  
5 percent of the average assessed value of single-family residential  
6 property in the claimant's county of residence as determined in  
7 section 77-3506.02 or one hundred fourteen thousand dollars,  
8 whichever is greater; and

9 (2) For applicants eligible under sections 77-3508 and  
10 77-3509:

11 (a) For any year prior to 2000, one hundred seventy-five  
12 percent of the average assessed value of single-family residential  
13 property in the claimant's county of residence as determined in  
14 section 77-3506.02 or one hundred ten thousand dollars, whichever  
15 is greater; and

16 (b) For 2000 and each year thereafter, one hundred  
17 ninety-three percent of the average assessed value of single-family  
18 residential property in the claimant's county of residence as  
19 determined in section 77-3506.02 or one hundred twenty-one thousand  
20 dollars, whichever is greater.

21 Sec. 3. Section 77-3507, Revised Statutes Supplement,  
22 1998, is amended to read:

23 77-3507. (1) All homesteads in this state shall be  
24 assessed for taxation the same as other property, except that there  
25 shall be exempt from taxation on homesteads of qualified claimants  
26 a percentage of the exempt amount as limited by section 77-3506.03.  
27 The percentage of the exempt amount shall be determined based on  
28 the household income of a claimant pursuant to subsections (2)

1 through ~~(6)~~ (9) of this section.

2 (2) For 1996, for a qualified married claimant, the  
3 percentage of the exempt amount for which the claimant shall be  
4 eligible shall be the percentage in Column B which corresponds with  
5 the claimant's income in Column A in the table found in this  
6 subsection.

7	Column A	Column B
8	Household Income	Percentage
9	In Dollars	Of Relief
10	0 through 18,000	100
11	18,001 through 19,000	85
12	19,001 through 20,000	70
13	20,001 through 21,000	55
14	21,001 through 22,000	40
15	22,001 through 23,000	25
16	23,001 and over	0

17 (3) For 1996, for a qualified single claimant, the  
18 percentage of the exempt amount for which the claimant shall be  
19 eligible shall be the percentage in Column B which corresponds with  
20 the claimant's household income in Column A in the table found in  
21 this subsection.

22	Column A	Column B
23	Household Income	Percentage
24	In Dollars	Of Relief
25	0 through 15,500	100
26	15,501 through 16,300	85
27	16,301 through 17,100	70
28	17,101 through 17,900	55

1	17,901 through 18,700	40
2	18,701 through 19,500	25
3	19,501 and over	0

4 (4) For 1997, for a qualified married or closely related  
 5 claimant, the percentage of the exempt amount for which the  
 6 claimant shall be eligible shall be the percentage in Column B  
 7 which corresponds with the claimant's income in Column A in the  
 8 table found in this subsection.

9	Column A	Column B
10	Household Income	Percentage
11	In Dollars	Of Relief
12	0 through 19,300	100
13	19,301 through 20,300	85
14	20,301 through 21,300	70
15	21,301 through 22,300	55
16	22,301 through 23,300	40
17	23,301 through 24,300	25
18	24,301 and over	0

19 (5) For 1997, for a qualified single claimant, the  
 20 percentage of the exempt amount for which the claimant shall be  
 21 eligible shall be the percentage in Column B which corresponds with  
 22 the claimant's household income in Column A in the table found in  
 23 this subsection.

24	Column A	Column B
25	Household Income	Percentage
26	In Dollars	Of Relief
27	0 through 16,600	100
28	16,601 through 17,400	85

1	17,401 through 18,200	70
2	18,201 through 19,000	55
3	19,001 through 19,800	40
4	19,801 through 20,600	25
5	20,601 and over	0

6 (6) For exemption applications filed in calendar ~~year~~  
7 ~~years~~ 1998 and each ~~year~~ thereafter through 2000, the income  
8 eligibility amounts in subsections (4) and (5) of this section  
9 shall be adjusted for inflation by the method provided in section  
10 151 of the Internal Revenue Code. The income eligibility amounts  
11 shall be adjusted for cumulative inflation since 1997. If any  
12 amount is not a multiple of one hundred dollars, the amount shall  
13 be rounded to the next lower multiple of one hundred dollars.

14 (7) For 2000, for a qualified married or closely related  
15 claimant, the percentage of the exempt amount for which the  
16 claimant shall be eligible shall be the percentage in Column B  
17 which corresponds with the claimant's income in Column A in the  
18 table found in this subsection.

19	<u>Column A</u>	<u>Column B</u>
20	<u>Household Income</u>	<u>Percentage</u>
21	<u>In Dollars</u>	<u>Of Relief</u>
22	<u>0 through 22,330</u>	<u>100</u>
23	<u>22,331 through 23,540</u>	<u>85</u>
24	<u>23,541 through 24,640</u>	<u>70</u>
25	<u>24,641 through 25,850</u>	<u>55</u>
26	<u>25,851 through 26,950</u>	<u>40</u>
27	<u>26,951 through 28,160</u>	<u>25</u>
28	<u>28,161 and over</u>	<u>0</u>

1           (8) For 2000, for a qualified single claimant, the  
 2 percentage of the exempt amount for which the claimant shall be  
 3 eligible shall be the percentage in Column B which corresponds with  
 4 the claimant's household income in Column A in the table found in  
 5 this subsection.

6	<u>Column A</u>	<u>Column B</u>
7	<u>Household Income</u>	<u>Percentage</u>
8	<u>In Dollars</u>	<u>Of Relief</u>
9	<u>0 through 19,250</u>	<u>100</u>
10	<u>19,251 through 20,130</u>	<u>85</u>
11	<u>20,131 through 21,120</u>	<u>70</u>
12	<u>21,121 through 22,000</u>	<u>55</u>
13	<u>22,001 through 22,990</u>	<u>40</u>
14	<u>22,991 through 23,870</u>	<u>25</u>
15	<u>23,871 and over</u>	<u>0</u>

16           (9) For exemption applications filed in calendar year  
 17 2001 and each year thereafter, the income eligibility amounts in  
 18 subsections (7) and (8) of this section shall be adjusted for  
 19 inflation by the method provided in section 151 of the Internal  
 20 Revenue Code. The income eligibility amounts shall be adjusted for  
 21 cumulative inflation since 2000. If any amount is not a multiple  
 22 of one hundred dollars, the amount shall be rounded to the next  
 23 lower multiple of one hundred dollars.

24           Sec. 4.     Section 77-3508, Revised Statutes Supplement,  
 25 1998, is amended to read:

26           77-3508.   (1) All homesteads in this state shall be  
 27 assessed for taxation the same as other property, except that there  
 28 shall be exempt from taxation, on any homestead of (a) veterans as

1 defined in section 80-401.01 who are totally disabled by a  
2 non-service-connected accident or illness, (b) individuals who are  
3 paralyzed in both legs such as to preclude locomotion without the  
4 regular aid of braces, crutches, canes, or wheelchairs, (c)  
5 individuals who have undergone amputation of both lower extremities  
6 such as to preclude locomotion without the regular aid of braces,  
7 crutches, canes, wheelchairs, or artificial limbs, (d) individuals  
8 with progressive neuromuscular or neurological disease such as to  
9 preclude locomotion without the regular aid of braces, crutches,  
10 canes, wheelchairs, or artificial limbs or who have permanently  
11 lost the use or control of both arms, and (e) individuals who have  
12 undergone amputation of both arms above the elbow, a percentage of  
13 the exempt amount as limited by section 77-3506.03. The exemption  
14 shall be based on the household income of a claimant pursuant to  
15 subsections (2) through ~~(6)~~ (9) of this section. Application for  
16 such exemption shall include certification from a qualified medical  
17 physician for subdivisions (1)(a) through (1)(e) of this section or  
18 certification from the United States Department of Veterans Affairs  
19 affirming that the homeowner is totally disabled due to  
20 non-service-connected accident or illness for subdivision (1)(a) of  
21 this section. Such certification from a qualified medical  
22 physician shall be made on forms prescribed by the Department of  
23 Revenue.

24 (2) For 1996, for a married claimant as described in  
25 subsection (1) of this section, the percentage of the exempt amount  
26 for which the claimant is eligible shall be the percentage in  
27 Column B which corresponds with the claimant's household income in  
28 Column A in the table found in this subsection.



1	Column A	Column B
2	Household Income	Percentage
3	In Dollars	Of Relief
4	0 through 20,000	100
5	20,001 through 21,000	85
6	21,001 through 22,000	70
7	22,001 through 23,000	55
8	23,001 through 24,000	40
9	24,001 through 25,000	25
10	25,001 and over	0

11 (3) For 1996, for a single claimant as described in  
 12 subsection (1) of this section, the percentage of the exempt amount  
 13 for which the claimant is eligible shall be the percentage in  
 14 Column B which corresponds with the claimant's household income in  
 15 Column A in the table found in this subsection.

16	Column A	Column B
17	Household Income	Percentage
18	In Dollars	Of Relief
19	0 through 17,500	100
20	17,501 through 18,300	85
21	18,301 through 19,100	70
22	19,101 through 19,900	55
23	19,901 through 20,700	40
24	20,701 through 21,500	25
25	21,501 and over	0

26 (4) For 1997, for a married or closely related claimant  
 27 as described in subsection (1) of this section, the percentage of  
 28 the exempt amount for which the claimant shall be eligible shall be

1 the percentage in Column B which corresponds with the claimant's  
 2 income in Column A in the table found in this subsection.

3	Column A	Column B
4	Household Income	Percentage
5	In Dollars	Of Relief
6	0 through 21,200	100
7	21,201 through 22,200	85
8	22,201 through 23,200	70
9	23,201 through 24,200	55
10	24,201 through 25,200	40
11	25,201 through 26,200	25
12	26,201 and over	0

13 (5) For 1997, for a single claimant as described in  
 14 subsection (1) of this section, the percentage of the exempt amount  
 15 for which the claimant shall be eligible shall be the percentage in  
 16 Column B which corresponds with the claimant's household income in  
 17 Column A in the table found in this subsection.

18	Column A	Column B
19	Household Income	Percentage
20	In Dollars	Of Relief
21	0 through 18,600	100
22	18,601 through 19,400	85
23	19,401 through 20,200	70
24	20,201 through 21,000	55
25	21,001 through 21,800	40
26	21,801 through 22,600	25
27	22,601 and over	0

28 (6) For exemption applications filed in calendar ~~year~~

1 years 1998 and each year thereafter through 2000, the income  
 2 eligibility amounts in subsections (4) and (5) of this section  
 3 shall be adjusted for inflation by the method provided in section  
 4 151 of the Internal Revenue Code. The income eligibility amounts  
 5 shall be adjusted for cumulative inflation since 1997. If any  
 6 amount is not a multiple of one hundred dollars, the amount shall  
 7 be rounded to the next lower multiple of one hundred dollars.

8 (7) For 2000, for a married or closely related claimant  
 9 as described in subsection (1) of this section, the percentage of  
 10 the exempt amount for which the claimant shall be eligible shall be  
 11 the percentage in Column B which corresponds with the claimant's  
 12 income in Column A in the table found in this subsection.

13	<u>Column A</u>	<u>Column B</u>
14	<u>Household Income</u>	<u>Percentage</u>
15	<u>In Dollars</u>	<u>Of Relief</u>
16	<u>0 through 24,530</u>	<u>100</u>
17	<u>24,531 through 25,740</u>	<u>85</u>
18	<u>25,741 through 26,840</u>	<u>70</u>
19	<u>26,841 through 28,050</u>	<u>55</u>
20	<u>28,051 through 29,260</u>	<u>40</u>
21	<u>29,261 through 30,360</u>	<u>25</u>
22	<u>30,361 and over</u>	<u>0</u>

23 (8) For 2000, for a single claimant as described in  
 24 subsection (1) of this section, the percentage of the exempt amount  
 25 for which the claimant shall be eligible shall be the percentage in  
 26 Column B which corresponds with the claimant's household income in  
 27 Column A in the table found in this subsection.

28	<u>Column A</u>	<u>Column B</u>
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1	<u>Household Income</u>	<u>Percentage</u>
2	<u>In Dollars</u>	<u>Of Relief</u>
3	<u>0 through 21,560</u>	<u>100</u>
4	<u>21,561 through 22,440</u>	<u>85</u>
5	<u>22,441 through 23,430</u>	<u>70</u>
6	<u>23,431 through 24,310</u>	<u>55</u>
7	<u>24,311 through 25,300</u>	<u>40</u>
8	<u>25,301 through 26,180</u>	<u>25</u>
9	<u>26,181 and over</u>	<u>0</u>

10       (9) For exemption applications filed in calendar year  
 11 2001 and each year thereafter, the income eligibility amounts in  
 12 subsections (7) and (8) of this section shall be adjusted for  
 13 inflation by the method provided in section 151 of the Internal  
 14 Revenue Code. The income eligibility amounts shall be adjusted for  
 15 cumulative inflation since 2000. If any amount is not a multiple  
 16 of one hundred dollars, the amount shall be rounded to the next  
 17 lower multiple of one hundred dollars.

18               Sec. 5.     Section 77-3509, Revised Statutes Supplement,  
 19 1998, is amended to read:

20               77-3509.   (1) All homesteads in this state shall be  
 21 assessed for taxation the same as other property, except that there  
 22 shall be exempt from taxation, on any homestead of (a) any veteran  
 23 as defined in section 80-401.01 drawing compensation from the  
 24 United States Department of Veterans Affairs because of one hundred  
 25 percent disability and not eligible for total exemption under  
 26 sections 77-3526 to 77-3528 or the unremarried widow or widower of  
 27 such veteran, (b) the unremarried widow or widower of any veteran,  
 28 including those not listed in section 80-401.01, who died because

1 of a service-connected disability, (c) the unremarried widow or  
 2 widower of a serviceman or servicewoman who died while on active  
 3 duty during the dates described in section 80-401.01, or (d) the  
 4 unremarried widow or widower of a serviceman or servicewoman,  
 5 including those not listed in section 80-401.01, whose death while  
 6 on active duty was service-connected, a percentage of the exempt  
 7 amount as limited by section 77-3506.03.

8           The exemption shall be based on the household income of a  
 9 claimant pursuant to subsections (2) through ~~(6)~~ (9) of this  
 10 section. Application for exemption under this section shall  
 11 include certification of the status set forth in this section from  
 12 the United States Department of Veterans Affairs.

13           (2) For 1996, for a married claimant as described in  
 14 subsection (1) of this section, the percentage of the exempt amount  
 15 for which the claimant is eligible shall be the percentage in  
 16 Column B which corresponds with the claimant's household income in  
 17 Column A in the table found in this subsection.

18	Column A	Column B
19	Household Income	Percentage
20	In Dollars	Of Relief
21	0 through 20,000	100
22	20,001 through 21,000	85
23	21,001 through 22,000	70
24	22,001 through 23,000	55
25	23,001 through 24,000	40
26	24,001 through 25,000	25
27	25,001 and over	0

28           (3) For 1996, for a single claimant as described in

1 subsection (1) of this section, the percentage of the exempt amount  
 2 for which the claimant is eligible shall be the percentage in  
 3 Column B which corresponds with the claimant's household income in  
 4 Column A in the table found in this subsection.

5	Column A	Column B
6	Household Income	Percentage
7	In Dollars	Of Relief
8	0 through 17,500	100
9	17,501 through 18,300	85
10	18,301 through 19,100	70
11	19,101 through 19,900	55
12	19,901 through 20,700	40
13	20,701 through 21,500	25
14	21,501 and over	0

15 (4) For 1997, for a married or closely related claimant  
 16 as described in subsection (1) of this section, the percentage of  
 17 the exempt amount for which the claimant shall be eligible shall be  
 18 the percentage in Column B which corresponds with the claimant's  
 19 income in Column A in the table found in this subsection.

20	Column A	Column B
21	Household Income	Percentage
22	In Dollars	Of Relief
23	0 through 21,200	100
24	21,201 through 22,200	85
25	22,201 through 23,200	70
26	23,201 through 24,200	55
27	24,201 through 25,200	40
28	25,201 through 26,200	25

1                   26,201 and over                   0

2                   (5) For 1997, for a single claimant as described in  
3 subsection (1) of this section, the percentage of the exempt amount  
4 for which the claimant shall be eligible shall be the percentage in  
5 Column B which corresponds with the claimant's household income in  
6 Column A in the table found in this subsection.

7	Column A	Column B
8	Household Income	Percentage
9	In Dollars	Of Relief
10	0 through 18,600	100
11	18,601 through 19,400	85
12	19,401 through 20,200	70
13	20,201 through 21,000	55
14	21,001 through 21,800	40
15	21,801 through 22,600	25
16	22,601 and over	0

17                   (6) For exemption applications filed in calendar ~~year~~  
18 years 1998 and each year thereafter through 2000, the income  
19 eligibility amounts in subsections (4) and (5) of this section  
20 shall be adjusted for inflation by the method provided in section  
21 151 of the Internal Revenue Code. The income eligibility amounts  
22 shall be adjusted for cumulative inflation since 1997. If any  
23 amount is not a multiple of one hundred dollars, the amount shall  
24 be rounded to the next lower multiple of one hundred dollars.

25                   (7) For 2000, for a married or closely related claimant  
26 as described in subsection (1) of this section, the percentage of  
27 the exempt amount for which the claimant shall be eligible shall be  
28 the percentage in Column B which corresponds with the claimant's

1 income in Column A in the table found in this subsection.

2	<u>Column A</u>	<u>Column B</u>
3	<u>Household Income</u>	<u>Percentage</u>
4	<u>In Dollars</u>	<u>Of Relief</u>
5	<u>0 through 24,530</u>	<u>100</u>
6	<u>24,531 through 25,740</u>	<u>85</u>
7	<u>25,741 through 26,840</u>	<u>70</u>
8	<u>26,841 through 28,050</u>	<u>55</u>
9	<u>28,051 through 29,260</u>	<u>40</u>
10	<u>29,261 through 30,360</u>	<u>25</u>
11	<u>30,361 and over</u>	<u>0</u>

12 (8) For 2000, for a single claimant as described in  
 13 subsection (1) of this section, the percentage of the exempt amount  
 14 for which the claimant shall be eligible shall be the percentage in  
 15 Column B which corresponds with the claimant's household income in  
 16 Column A in the table found in this subsection.

17	<u>Column A</u>	<u>Column B</u>
18	<u>Household Income</u>	<u>Percentage</u>
19	<u>In Dollars</u>	<u>Of Relief</u>
20	<u>0 through 21,560</u>	<u>100</u>
21	<u>21,561 through 22,440</u>	<u>85</u>
22	<u>22,441 through 23,430</u>	<u>70</u>
23	<u>23,431 through 24,310</u>	<u>55</u>
24	<u>24,311 through 25,300</u>	<u>40</u>
25	<u>25,301 through 26,180</u>	<u>25</u>
26	<u>26,181 and over</u>	<u>0</u>

27 (9) For exemption applications filed in calendar year  
 28 2001 and each year thereafter, the income eligibility amounts in



1 subsections (7) and (8) of this section shall be adjusted for  
2 inflation by the method provided in section 151 of the Internal  
3 Revenue Code. The income eligibility amounts shall be adjusted for  
4 cumulative inflation since 2000. If any amount is not a multiple  
5 of one hundred dollars, the amount shall be rounded to the next  
6 lower multiple of one hundred dollars.

7           Sec. 6. Original section 77-3501.01, Reissue Revised  
8 Statutes of Nebraska, and sections 77-3505.02, 77-3507, 77-3508,  
9 and 77-3509, Revised Statutes Supplement, 1998, are repealed.